

2005 DRAFTING REQUEST

Bill

Received: **09/30/2004**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Caucutt**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

DOA:.....Caucutt, BB0099 -

Topic:

Designated veterans trust fund donation on corporate tax return

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 09/30/2004	kfollett 09/30/2004 kfollett 10/04/2004		_____ _____ _____ _____			State
/1	jkreye 01/12/2005	kfollett 01/12/2005	rschluet 10/04/2004	_____ _____	lnorthro 10/04/2004		State
/2	jkreye 01/26/2005	wjackson 01/26/2005	rschluet 01/12/2005	_____ _____	lnorthro 01/12/2005		State

<END>

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/1	jkreye 01/12/2005	kfollett 01/12/2005	rschluet 10/04/2004	_____	lnorthro 10/04/2004		State
/2		1/3 WJ 1/26	rschluet 01/12/2005	_____	lnorthro 01/12/2005		

Handwritten signatures and dates:
Jb 1/26, Jb 1/26, RS

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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Bill

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Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Schaeffer**

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/1		12 kg 11/2	rschluer 10/04/2004	_____ _____ _____ _____	lnorthro 10/04/2004		

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/?	jkreye	11/15/04 10/14/04					
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FE Sent For:

<END>

2003-05 Budget Bill Statutory Language Drafting Request

- Topic: Designated donation on state corporate tax returns
- Tracking Code: BB0099
- SBO team: Ops
- SBO analyst: Carole Schaeffer
 - Phone: 7-0371
 - Email: carole.schaeffer@doa.state.wi.us
- Agency acronym: DVA
- Agency number: 485

DESIGNATED DONATION ON STATE CORPORATE TAX RETURNS

Increasing revenues for the Veterans Trust Fund (VTF) is a major goal the department's 10-year VTF solvency plan. Having a designated donation option on corporate tax returns is one of the new revenue options the department is pursuing as an initiative in the 2005-07 biennial budget. The following statutory language creates a state tax return designated donation option that enables corporations to contribute to the Veterans Trust Fund.

71.30(11)

~~71.34~~ (11) of the statutes is created to read:

71.34 (11) VETERANS TRUST FUND DONATION. (a) *Definitions.* In this subsection:

1. "Veterans trust fund" means the fund under s. 25.36.
2. "Veterans trust fund donation" means a designation made under this subsection, the net proceeds of which shall be deposited into the veterans trust fund to be used for the veterans programs under s. 25.36 (1).
- (b) *Voluntary payments.* 1. 'Designation on return.' A corporation filing an income or franchise tax return may designate on the return any amount of additional payment or any amount of a refund that is due the corporation as a veterans trust fund donation.

2. 'Designation added to tax owed.' If the corporation owes any tax, the corporation shall remit in full the tax due and the amount designated on the return as a veterans trust fund donation when the corporation files a tax return.

3. 'Designation deducted from refund.' Except as provided under par. (d), if the corporation is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80 (3), the department shall deduct the amount designated on the return as a veterans trust fund donation from the amount of the refund.

99
000340

(c) *Errors; failure to remit correct amount.* If the corporation that owes taxes fails to remit an amount equal to or in excess of the total of the actual tax due, after error corrections, and the amount designated on the return as a veterans trust fund donation:

1. The department shall reduce the designation for the veterans trust fund donation to reflect the amount remitted in excess of the actual tax due, after error corrections, if the corporation remitted an amount in excess of the actual tax due, after error corrections, but less than the total of actual tax due, after error corrections, and the amount originally designated on the return as a veterans trust fund donation.
2. The designation for the veterans trust fund donation is void if the corporation remitted an amount equal to or less than the actual tax due, after error corrections.

(d) *Errors; insufficient refund.* If a corporation is owed a refund that does not equal or exceed the amount designated on the return as a veterans trust fund donation, after crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections, the department shall reduce the designation for the veterans trust fund donation to reflect the actual amount of the refund the corporation is otherwise owed, after crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections.

(e) *Conditions.* If a corporation places any conditions on a designation for the veterans trust fund donation, the designation is void.

(f) *Void designation.* If a designation for the veterans trust fund donation is void, the department shall disregard the designation and determine the amounts due, owed, refunded and received without regard to the void designation.

(g) *Tax return.* The secretary of revenue shall provide a place for the designations under this subsection on the corporate income and franchise tax return, and the secretary shall highlight that place on the return by a symbol chosen by the department of veterans affairs that relates to veterans.

(h) *Certification of amounts.* Annually, on or before September 15, the secretary of revenue shall certify to the department of veterans affairs, the department of administration and the state treasurer:

1. The total amount of the administrative costs, including data processing costs, incurred by the department in administering this subsection during the previous fiscal year.
 2. The total amount received from all designations for veterans trust fund donations made by corporations during the previous fiscal year.
 3. The net amount remaining after the administrative costs, including data processing costs, under subd. 1. are subtracted from the total received under subd. 2.
 4. From the moneys received from designations for veterans trust fund donations, an amount equal to the sum of administrative expenses, including data processing costs, certified under subd. 1. shall be deposited into the general fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount that is certified under subd. 3. shall be deposited into the veterans trust fund and used for the veterans programs under s. 25.36 (1).
- (i) *Amounts subject to refund.* An amount designated as a veterans trust fund donation under this subsection is not subject to refund to a corporation that designates a donation under par. (b) unless the corporation submits information to the satisfaction of the department within 18 months after the date on which taxes are due or the date on which the return is filed, whichever is later, that the amount designated is clearly in error. A refund granted by the department under this paragraph shall be deducted from the moneys received under this subsection in the fiscal year that the refund is certified under s. 71.75 (7).

20.566 (1) (hp) is amended to read:

20.566 (1) (hp) *Administration of endangered resources; professional football district; breast cancer research; veterans trust fund voluntary payments.* The amounts in the schedule for the payment of all administrative costs, including data processing costs, incurred in administering ss. 71.10 (5), (5e), and (5f), and (5m) ~~and~~ 71.30 (10) and (11). All moneys specified for deposit in this appropriation under ss. 71.10 (5) (h) 5., (5e) (h) 4., ~~and~~ (5f) (i), and (5m) (h) 4. ~~and~~ 71.30 (10) (i) and (11) (h) 4. shall be credited to this appropriation.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-03417

JK: [signature]

[signature]

DOA:.....Schaeffer, BB0099 - Designated veterans trust fund donation on corporate tax return

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 9-30-07

D-N

Do Not Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill allows a corporation that files a state tax return to designate on its return any part of its refund, or any amount in addition to taxes owed, as a donation to the veterans trust fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.566 (1) (hp) of the statutes is amended to read:

3 20.566 (1) (hp) *Administration of endangered resources; professional football*
4 *district; breast cancer research voluntary payments.* The amounts in the schedule for
5 the payment of all administrative costs, including data processing costs, incurred in

administering ss. 71.10 (5), (5e), and (5f) and 71.30 (10) and (11). All moneys specified for deposit in this appropriation under ss. 71.10 (5) (h) 5., (5e) (h) 4., and (5f) (i) and 71.30 (10) (i) and (11) (i) shall be credited to this appropriation.

History: 1971 c. 108 ss. 2, 3, 6; 1971 c. 125 ss. 164, 173, 174, 175, 176; 1971 c. 211, 215; 1973 c. 90; 1975 c. 39 ss. 201, 732 (1); 1977 c. 29, 31, 418; 1979 c. 34 ss. 610m to 617, 2102 (46) (c); 1979 c. 63 ss. 3, 6; 1979 c. 177, 221; 1981 c. 20; 1981 c. 86 ss. 7, 71; 1981 c. 328 s. 4; 1983 a. 27 ss. 469 to 477; 1983 a. 368; 1983 a. 410 s. 2202 (38); 1985 a. 29 ss. 536 to 537r, 3202 (39) (a), (46) (c), (i); 1985 a. 41, 120; 1987 a. 27 ss. 444 to 458, 3200 (47); 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31, 335; 1991 a. 39, 259, 269; 1993 a. 16, 205, 263, 490; 1995 a. 27 ss. 546h to 546t, 1111mm to 1119r; 1995 a. 56, 227, 351; 1997 a. 27, 35, 41, 63, 148, 237, 252; 1999 a. 5, 9; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 16; 2001 a. 30 s. 108; 2001 a. 109; 2003 a. 33, 127, 139, 176, 231.

SECTION 2. 71.30 (11) of the statutes is created to read:

71.30 (11) VETERANS TRUST FUND. (a) *Definitions.* In this subsection, “veterans trust fund” means the fund under s. 25.36.

(b) *Voluntary payments.* 1. ‘Designation on return.’ A corporation filing an income or franchise tax return may designate on the return any amount of additional payment or any amount of a refund that is due the corporation as a donation to the veterans trust fund to be used for veterans programs under s. 25.36 (1).

2. ‘Designation added to tax owed.’ If the corporation owes any tax, the corporation shall remit in full the tax due and the amount designated on the return as a donation to the veterans trust fund when the corporation files a tax return.

3. ‘Designation deducted from refund.’ Except as provided under par. (d), and subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the department shall deduct the amount designated on the return as a donation to the veterans trust fund from the amount of the refund.

(c) *Errors; failure to remit correct amount.* 1. ‘Reduced designation.’ If a corporation remits an amount that exceeds the tax due, after error corrections, but that is less than the total of the tax due, after error corrections, and the amount that is designated by the corporation on the return as a donation to the veterans trust fund, the department shall reduce the designation to reflect the amount remitted that exceeds the tax due, after error corrections.

1 2. 'Void designation.' The designation for a donation to the veterans trust fund
2 is void if the corporation remits an amount equal to or less than the tax due, after
3 error corrections.

4 (d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than
5 the amount designated on the return as a donation to the veterans trust fund, after
6 attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,
7 the department shall reduce the designation to reflect the actual amount of the
8 refund the corporation is otherwise owed.

9 (e) *Conditions.* If a corporation places any conditions on a designation for a
10 donation to the veterans trust fund, the designation is void.

11 (f) *Void designation.* If a designation for a donation to the veterans trust fund
12 is void, the department shall disregard the designation and determine the amounts
13 due, owed, refunded, and received.

14 (g) *Tax return.* The secretary of revenue shall provide a place for the
15 designations under this subsection on the corporate income and franchise tax
16 returns and the secretary shall highlight that place on the returns by a symbol
17 chosen by the department of veterans affairs that relates to veterans.

18 (h) *Certification of amounts.* Annually, on or before September 15, the
19 secretary of revenue shall certify to the department of veterans affairs and the
20 department of administration:

21 1. The total amount of the administrative costs, including data processing
22 costs, incurred by the department of revenue in administering this subsection during
23 the previous fiscal year.

24 2. The total amount received from all designations to the veterans trust fund
25 under this subsection made by corporations during the previous fiscal year.

1 3. The net amount remaining after the administrative costs under subd. 1. are
2 subtracted from the total received under subd. 2.

3 (i) *Appropriations.* From the moneys received from designations to the
4 veterans trust fund under this subsection, an amount equal to the sum of
5 administrative expenses certified under par. (h) 1. shall be deposited into the general
6 fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount
7 remaining certified under par. (h) 3. shall be deposited into the veterans trust fund
8 and used for the veterans programs under s. 25.36 (1).

9 (j) *Refunds.* An amount designated as a donation to the veterans trust fund
10 under this subsection is not subject to refund to a corporation that designates the
11 donation unless the corporation submits information to the satisfaction of the
12 department within 18 months from the date that taxes are due from the corporation
13 or from the date that the corporation filed the return, whichever is later, that the
14 amount designated is clearly in error. A refund granted by the department under
15 this paragraph shall be deducted from the moneys received under this subsection in
16 the fiscal year that the refund is certified under 71.75 (7).

17 **SECTION 9341. Initial applicability; revenue.**

18 (1) DESIGNATION TO THE VETERANS TRUST FUND. The treatment of section 71.30
19 (11) of the statutes first applies to taxable years beginning on January 1, 2005.

20 (END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0341/1dn

JK: *86*

Date

Carole:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0341/1dn
JK:kjfrs

October 4, 2004

Carole:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Comments from R&P on LRB 05-0371/1 and LRB 05-0341/1

January 10, 2005

With one exception, the language of LRB 05-0371/1 follows the format of the language in sec. 71.10 (5f), which provides an individual income tax check-off for breast cancer research. The exception is this: language relating to appropriations in this draft appears in proposed sec. 71.05 (5g) (h)4. This appropriations language in sec. 71.10 (5f) for the breast cancer check-off appears in a separate paragraph, 71.10 (5g)(i). It appears that should be the case for this check-off as well, which means that:

- sec. 71.10 (5g)(h)4 in the draft should be numbered sec. 71.10 (5g)(i), and
- sec. 71.10 (5g)(i) in the draft should be numbered sec. 71.10 (5g)(j).

On LRB 05-0341/1, we suggest that "veterans' trust fund" be included in the title of sec. 20.566 (1)(hp).

I defer to ISE on other technical comments.

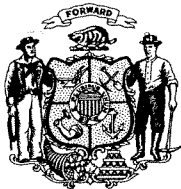
The State Budget Office and the Department of Veterans Affairs should be made aware that income tax check-offs may not generate a lot of money for the veterans trust fund, but will complicate the filing and processing of tax returns for taxpayers and the Department of Revenue. This is especially of check-offs on the corporate return. There is only one, for endangered resources, and it generated less than \$12,000 last year.

Currently, there are four check-offs on the individual income tax return. One, a check-off for breast cancer research, is new this year, so we do not know how much taxpayers will contribute through it. A football stadium check-off was added in 2001 for the Lambeau Field project; it generated about \$226,000 in 2001, \$172,000 in 2002 and \$142,000 in 2003. The endangered resources check-off has been around for many years and is the most successful, generating between \$550,000 and \$675,000 in recent years.

The election campaign fund check-off is different from these others because a tax filer and spouse can each choose to designate only \$1 each for the fund; with the other three, tax filers can contribute any amount they desire. The election campaign fund check-off generated about \$300,000 a year until 2002. A higher check-off of \$5 with designation to a particular party was permitted that year, but that particular designation was found unconstitutional, so any check-offs indicated were limited to the prior law amount of \$1 per tax filer or spouse. Donations dropped to less than \$200,000 in 2002 and recovered to \$240,000 in 2003.

The Department of Revenue is concerned about the proliferation of check-offs on the tax return because each requires an additional line and additional instructions. Also, experience from other states suggests that new check-offs reduce contributions to existing check-off programs – some taxpayers reduce their support of the current programs in favor of a new one.

One way to deal with proliferation of check-offs is to provide sunset language. Then, if a check-off is successful in generating revenues for a particular fund, the legislature can extend its life. If not, it can be allowed to expire.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0341/1

JK:kjf

1/12 or 1/13

in 1-12-05

Print R

DOA:.....Schaeffer, BB0099 - Designated veterans trust fund donation on corporate tax return

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Sec #. 20.566(1)(hp) (title) of the statutes is amended to read:
20.566(1)(b) (hp) (title)

Do Not Gen

1 AN ACT ...; relating to: the budget.

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INCOME TAXATION

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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2 *not bud #*
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3 20.566 (1) (hp) Administration of endangered resources; professional football
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5 the payment of all administrative costs, including data processing costs, incurred in

veterans trust fund;

1 administering ss. 71.10 (5), (5e), and (5f) and 71.30 (10) and (11). All moneys
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3 (5f) (i) and 71.30 (10) (i) and (11) (i) shall be credited to this appropriation.

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7 (b) *Voluntary payments.* 1. ‘Designation on return.’ A corporation filing an
8 income or franchise tax return may designate on the return any amount of additional
9 payment or any amount of a refund that is due the corporation as a donation to the
10 veterans trust fund to be used for veterans programs under s. 25.36 (1).

11 2. ‘Designation added to tax owed.’ If the corporation owes any tax, the
12 corporation shall remit in full the tax due and the amount designated on the return
13 as a donation to the veterans trust fund when the corporation files a tax return.

14 3. ‘Designation deducted from refund.’ Except as provided under par. (d), and
15 subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the
16 department shall deduct the amount designated on the return as a donation to the
17 veterans trust fund from the amount of the refund.

18 (c) *Errors; failure to remit correct amount.* 1. ‘Reduced designation.’ If a
19 corporation remits an amount that exceeds the tax due, after error corrections, but
20 that is less than the total of the tax due, after error corrections, and the amount
21 designated by the corporation on the return as a donation to the veterans trust fund,
22 the department shall reduce the designation to reflect the amount remitted that
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23 the previous fiscal year.

24 2. The total amount received from all designations to the veterans trust fund
25 under this subsection made by corporations during the previous fiscal year.

3. The net amount remaining after the administrative costs under subd. 1. are subtracted from the total received under subd. 2.

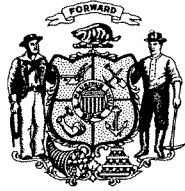
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(j) *Refunds.* An amount designated as a donation to the veterans trust fund under this subsection is not subject to refund to a corporation that designates the donation unless the corporation submits information to the satisfaction of the department within 18 months from the date that taxes are due from the corporation or from the date that the corporation filed the return, whichever is later, that the amount designated is clearly in error. A refund granted by the department under this paragraph shall be deducted from the moneys received under this subsection in the fiscal year that the refund is certified under 71.75 (7).

SECTION 9341. Initial applicability; revenue.

(1) DESIGNATION TO THE VETERANS TRUST FUND. The treatment of section 71.30 (11) of the statutes first applies to taxable years beginning on January 1, 2005.

(END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0341/2

JK:kjfrs

twlj

DOA:.....Caucutt, BB0099 - Designated veterans trust fund donation on corporate tax return

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1-26-05

DN

Today
please

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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2 **SECTION 1.** 20.566 (1) (hp) (title) of the statutes is amended to read:

3 20.566 (1) (hp) (title) *Administration of endangered resources; professional*
4 *football district; veterans trust fund; breast cancer research voluntary payments.*

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.566 (1) (hp) of the statutes is amended to read:

20.566 (1) (hp) The amounts in the schedule for the payment of all administrative costs, including data processing costs, incurred in administering ss. 71.10 (5), (5e), and (5f) and 71.30 (10) and (11). All moneys specified for deposit in this appropriation under ss. 71.10 (5) (h) 5., (5e) (h) 4., and (5f) (i) and 71.30 (10) (i) and (11) (i) shall be credited to this appropriation.

SECTION 3. 71.30 (11) of the statutes is created to read:

71.30 (11) VETERANS TRUST FUND. (a) *Definitions*. In this subsection, “veterans trust fund” means the fund under s. 25.36.

(b) *Voluntary payments*. 1. ‘Designation on return.’ A corporation filing an income or franchise tax return may designate on the return any amount of additional payment or any amount of a refund that is due the corporation as a donation to the veterans trust fund to be used for veterans programs under s. 25.36 (1).

2. ‘Designation added to tax owed.’ If the corporation owes any tax, the corporation shall remit in full the tax due and the amount designated on the return as a donation to the veterans trust fund when the corporation files a tax return.

3. ‘Designation deducted from refund.’ Except as provided under par. (d), and subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the department shall deduct the amount designated on the return as a donation to the veterans trust fund from the amount of the refund.

(c) *Errors; failure to remit correct amount*. 1. ‘Reduced designation.’ If a corporation remits an amount that exceeds the tax due, after error corrections, but that is less than the total of the tax due, after error corrections, and the amount designated by the corporation on the return as a donation to the veterans trust fund,

1 the department shall reduce the designation to reflect the amount remitted that
2 exceeds the tax due, after error corrections.

3 2. 'Void designation.' The designation for a donation to the veterans trust fund
4 is void if the corporation remits an amount equal to or less than the tax due, after
5 error corrections.

6 (d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than
7 the amount designated on the return as a donation to the veterans trust fund, after
8 attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,
9 the department shall reduce the designation to reflect the actual amount of the
10 refund the corporation is otherwise owed.

11 (e) *Conditions.* If a corporation places any conditions on a designation for a
12 donation to the veterans trust fund, the designation is void.

13 (f) *Void designation.* If a designation for a donation to the veterans trust fund
14 is void, the department shall disregard the designation and determine the amounts
15 due, owed, refunded, and received.

16 (g) *Tax return.* The secretary of revenue shall provide a place for the
17 designations under this subsection on the corporate income and franchise tax
18 returns and the secretary shall highlight that place on the returns by a symbol
19 chosen by the department of veterans affairs that relates to veterans.

20 (h) *Certification of amounts.* Annually, on or before September 15, the
21 secretary of revenue shall certify to the department of veterans affairs and the
22 department of administration:

23 1. The total amount of the administrative costs, including data processing
24 costs, incurred by the department of revenue in administering this subsection during
25 the previous fiscal year.

1 2. The total amount received from all designations to the veterans trust fund
2 under this subsection made by corporations during the previous fiscal year.

3 3. The net amount remaining after the administrative costs under subd. 1. are
4 subtracted from the total received under subd. 2.

5 (i) *Appropriations.* From the moneys received from designations to the
6 veterans trust fund under this subsection, an amount equal to the sum of
7 administrative expenses certified under par. (h) 1. shall be deposited into the general
8 fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount
9 remaining certified under par. (h) 3. shall be deposited into the veterans trust fund
10 and used for the veterans programs under s. 25.36 (1).

11 (j) *Refunds.* An amount designated as a donation to the veterans trust fund
12 under this subsection is not subject to refund to a corporation that designates the
13 donation unless the corporation submits information to the satisfaction of the
14 department within 18 months from the date that taxes are due from the corporation
15 or from the date that the corporation filed the return, whichever is later, that the
16 amount designated is clearly in error. A refund granted by the department under
17 this paragraph shall be deducted from the moneys received under this subsection in
18 the fiscal year that the refund is certified under 71.75 (7).

19 **SECTION 9341. Initial applicability; revenue.**

20 (1) DESIGNATION TO THE VETERANS TRUST FUND. The treatment of section 71.30
21 (11) of the statutes first applies to taxable years beginning on January 1, 2005.

22 (END)

0341/3^{du}

UK

4th Thi draft reconciles LRB-0341/2[✓] and LRB-0371/4[✓]⓪

Both drafts should continue to appear in the compiled

list⓪

UK

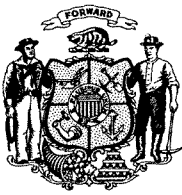
DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0341/3dn
JK:wlj:jf

January 26, 2005

This draft reconciles LRB-0341/2 and LRB-0371/4. Both drafts should continue to appear in the compiled bill.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0341/3
JK:kjf&wlj:jf

DOA:.....Caucutt, BB0099 – Designated veterans trust fund donation on corporate tax return

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill allows a corporation that files a state tax return to designate on its return any part of its refund, or any amount in addition to taxes owed, as a donation to the veterans trust fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 71.30 (11) of the statutes is created to read:

3 71.30 (11) VETERANS TRUST FUND. (a) *Definitions*. In this subsection, “veterans
4 trust fund” means the fund under s. 25.36.

5 (b) *Voluntary payments*. 1. ‘Designation on return.’ A corporation filing an
6 income or franchise tax return may designate on the return any amount of additional

1 payment or any amount of a refund that is due the corporation as a donation to the
2 veterans trust fund to be used for veterans programs under s. 25.36 (1).

3 2. 'Designation added to tax owed.' If the corporation owes any tax, the
4 corporation shall remit in full the tax due and the amount designated on the return
5 as a donation to the veterans trust fund when the corporation files a tax return.

6 3. 'Designation deducted from refund.' Except as provided under par. (d), and
7 subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the
8 department shall deduct the amount designated on the return as a donation to the
9 veterans trust fund from the amount of the refund.

10 (c) *Errors; failure to remit correct amount.* 1. 'Reduced designation.' If a
11 corporation remits an amount that exceeds the tax due, after error corrections, but
12 that is less than the total of the tax due, after error corrections, and the amount
13 designated by the corporation on the return as a donation to the veterans trust fund,
14 the department shall reduce the designation to reflect the amount remitted that
15 exceeds the tax due, after error corrections.

16 2. 'Void designation.' The designation for a donation to the veterans trust fund
17 is void if the corporation remits an amount equal to or less than the tax due, after
18 error corrections.

19 (d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than
20 the amount designated on the return as a donation to the veterans trust fund, after
21 attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,
22 the department shall reduce the designation to reflect the actual amount of the
23 refund the corporation is otherwise owed.

24 (e) *Conditions.* If a corporation places any conditions on a designation for a
25 donation to the veterans trust fund, the designation is void.

1 (f) *Void designation.* If a designation for a donation to the veterans trust fund
2 is void, the department shall disregard the designation and determine the amounts
3 due, owed, refunded, and received.

4 (g) *Tax return.* The secretary of revenue shall provide a place for the
5 designations under this subsection on the corporate income and franchise tax
6 returns and the secretary shall highlight that place on the returns by a symbol
7 chosen by the department of veterans affairs that relates to veterans.

8 (h) *Certification of amounts.* Annually, on or before September 15, the
9 secretary of revenue shall certify to the department of veterans affairs and the
10 department of administration:

11 1. The total amount of the administrative costs, including data processing
12 costs, incurred by the department of revenue in administering this subsection during
13 the previous fiscal year.

14 2. The total amount received from all designations to the veterans trust fund
15 under this subsection made by corporations during the previous fiscal year.

16 3. The net amount remaining after the administrative costs under subd. 1. are
17 subtracted from the total received under subd. 2.

18 (i) *Appropriations.* From the moneys received from designations to the
19 veterans trust fund under this subsection, an amount equal to the sum of
20 administrative expenses certified under par. (h) 1. shall be deposited into the general
21 fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount
22 remaining certified under par. (h) 3. shall be deposited into the veterans trust fund
23 and used for the veterans programs under s. 25.36 (1).

24 (j) *Refunds.* An amount designated as a donation to the veterans trust fund
25 under this subsection is not subject to refund to a corporation that designates the

donation unless the corporation submits information to the satisfaction of the department within 18 months from the date that taxes are due from the corporation or from the date that the corporation filed the return, whichever is later, that the amount designated is clearly in error. A refund granted by the department under this paragraph shall be deducted from the moneys received under this subsection in the fiscal year that the refund is certified under 71.75 (7).

(END)